

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Request of

ZIPPY DISPOSAL SERVICE,

INC.,

Petitioner,

Seeking Extension to the Due Date
of Compliance Filing

DOCKET TG-180267

ORDER 04

GRANTING PETITION TO
EXTEND DUE DATE FOR
COMPLIANCE FILING

BACKGROUND

- 1 On March 29, 2018, Zippy Disposal Service, Inc., (Zippy Disposal or Company) filed with the Washington Utilities and Transportation Commission (Commission) revisions to its currently effective Tariff No. 17. The filing proposes to add a new commingled recycling pick-up service as required by Chelan County's Solid Waste Management Plan. Zippy Disposal projected that it would subscribe 500 customers in its first year of operation, which would increase revenues by approximately \$131,000, or 5 percent annually. The proposed start-up rate would be \$25 per customer, per month, based on estimated costs that include baling and transporting the material to Spokane for processing.
- 2 On April 26, 2018, the Commission entered Order 01, Allowing Tariff Revisions to Become Effective Subject to Conditions (Order 01). Order 01 required the Company to file with the Commission tariff revisions based on actual customer count, costs, and revenue, no later than October 15, 2019, to become effective on December 1, 2019.
- 3 On October 3, 2019, the Company filed a letter requesting an extension to make its compliance filing, and on October 10, 2019, the Commission entered Order 02, which granted the Company's request for a 30-day extension and required the Company to file tariff revisions no later than November 15, 2019.

- 4 On November 15, 2019, the Company filed a petition requesting a one-year extension to file its revised tariff pages, which the Commission approved by Order 03 on November 22, 2019.
- 5 On November 12, 2020, Zippy Disposal filed a petition requesting an extension to file revised tariff pages to become effective no later than April 1, 2021 (Petition). In its Petition, Zippy Disposal explained that, due to the COVID-19 pandemic, the Company is operating with reduced staff who must expend their efforts to conduct daily operations. The Company thus has not been able to collect and collate the data necessary to conduct a rate review and requests the additional time to allow it to do so.
- 6 This matter came before the Commission at its regularly scheduled open meeting on November 24, 2020. Commission staff (Staff) recommends the Commission grant the Company's Petition and require the Company to file tariff revisions with an effective date no later than April 1, 2021, to include actual customer, cost, and revenue data for a consecutive 12-month test period. Staff supports the Company's request because the purpose of requiring the Company to file actual data was to set more accurate rates. Absent the requisite data, Staff's objective cannot be achieved.

DISCUSSION

- 7 The Commission agrees with Staff that granting the Petition is reasonable. Allowing Zippy Disposal to collect data for a 12-month consecutive period will ultimately enable the Company to make a more complete filing using actual, rather than projected, costs. Rates were set based on an estimated customer subscription level of 500 participants; to date, the Company has averaged only 225 recycling customers, not quite half of the projected amount. Adjusting rates now would mean spreading the same costs over fewer customers, resulting in higher rates per customer. In light of these circumstances, we find that granting the Company's request to extend its filing to become effective no later than April 1, 2021, is consistent with the public interest.

FINDINGS AND CONCLUSIONS

- 8 (1) The Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, regulations, practices, accounts

and securities, transfers of property, and affiliated interests of public service companies, including solid waste companies.

- 9 (2) Zippy Disposal is a solid waste company and a public service company subject to Commission jurisdiction.
- 10 (3) On April 26, 2018, the Commission entered Order 01 in this docket, which required Zippy Disposal to file revised tariff pages no later than October 15, 2019, for rates effective December 1, 2019, based on actual customer, cost, and revenue data. On October 3, 2019, the Company filed a letter requesting an extension to make its compliance filing, and on October 10, 2019, the Commission entered Order 02, which granted the Company's request for a 30-day extension and required the Company to file tariff revisions no later than November 15, 2019.
- 11 (4) On November 15, 2019, Zippy Disposal filed a petition requesting an extension until November 15, 2020, to file revised tariff pages. In its Petition, Zippy Disposal explained that it was unable to obtain adequate customer, cost, and revenue data for the past 12 months due to low participation in the recycling program.
- 12 (5) On November 22, 2019, the Commission entered Order 03, which granted the Company's request for a one-year extension and required the Company to file tariff revisions no later than November 15, 2020.
- 13 (6) On November 12, 2020, Zippy Disposal filed a Petition requesting an extension to file revised tariff pages, which would become effective no later than April 1, 2021.
- 14 (7) This matter came before the Commission at its regularly scheduled meeting on November 24, 2020.
- 15 (8) Based on the evidence in the record, and for good cause shown, the Commission finds that granting the Company's Petition is consistent with the public interest.
- 16 (9) Zippy Disposal is required to file revised tariff pages consistent with the requirements set out in paragraph 3 of Order 01 in this docket to become effective no later than April 1, 2021.

ORDER

THE COMMISSION ORDERS:

- 17 (1) Zippy Disposal Service, Inc.'s, Petition for an extension to file tariff revisions is granted.
- 18 (2) Zippy Disposal Service, Inc., must file tariff revisions with an effective date no later than April 1, 2021, that include: (1) actual customer, cost, and revenue data for a consecutive 12-month test period; (2) each of the requirements listed in paragraph 3 of Order 01 in this docket; and (3) a proposed mechanism for issuing refunds in the event the Company over-collects during the test year.
- 19 (3) Zippy Disposal Service, Inc., will not alter its recycling rates before April 1, 2021, without providing the required data identified in paragraph 3 in Order 01 of this docket.

The Commissioners, having determined this Order to be consistent with the public interest, directed the Secretary to enter this Order.

DATED at Lacey, Washington, and effective November 24, 2020.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARK L. JOHNSON
Executive Director and Secretary